



Publisher of Consumer Reports

June 24, 2003

Dear Representative:

We strongly urge you to vote "NO" on H.R. 2473, the "Medicare Prescription Drug and Modernization Act of 2003." Instead of providing seniors and people with disabilities the relief they so desperately need from high out-of-pocket costs for prescription drugs, the bill offers a skimpy, inadequate benefit through an unreliable private market delivery system. Some of our key concerns are:

- H.R. 2473 fails to guarantee that Medicare beneficiaries will have an affordable prescription drug benefit, with a fixed premium and a generous benefit comparable to the drug benefit that Members of Congress get;
- The bill fails to take aggressive steps to rein in prescription drug expenditures, through aggressive discounts negotiated by the federal government, through greater use of comparative effectiveness data, and through closing loopholes that delay the introduction of safe, effective generics.
- The bill also fails to offer the prescription drug benefits through the reliable Medicare program, ceding the provision of the benefit to the unreliable (and reluctant) private insurance marketplace.
- The bill introduces means-testing for benefits, undermining the fundamental principle of universality of Medicare benefits that has promised everyone the same benefit since Medicare began in 1965.

But H.R. 2473 has even more troubling implications for the Medicare program. By allowing HMOs and PPOs to offer enriched benefits in 2006, the highly subsidized private Medicare providers will lure relatively healthy people into private coverage. In the year 2010, the bill calls for "competition" between traditional Medicare (which will cover the less healthy beneficiaries who most value choice of doctor), and eventually this so-called competition will deeply harm the traditional Medicare program. Because of this "selection" of less healthy risks, traditional Medicare's costs will increase, but the reimbursement will no longer be related to cost but will be fixed and stingy. Medicare as we know it, which offers its beneficiaries the freedom to go to the doctor of their choice, will cease to exist. This bill will do grave damage to the Medicare program through this privatization.

We strongly urge you to vote "NO" on H.R. 2473 and design a guaranteed, reliable, comprehensive Medicare prescription drug benefit that assures seniors and the disabled can count on having affordable access to meaningful prescription drug coverage, just as they can count on their doctor and hospital coverage. For more information about the implications of H.R. 2473 on consumers, in particular its failure to relieve beneficiaries of the burden of high out-of-pocket prescription drug costs, please see our report *Skimpy Benefits and Unchecked Expenditures: Medicare Prescription Drug Bills Fail to Offer Adequate Protection for Seniors and People with Disabilities*, which is posted at [www.consumersunion.org](http://www.consumersunion.org).

Sincerely,

Gail E. Shearer  
Director, Health Policy Analysis